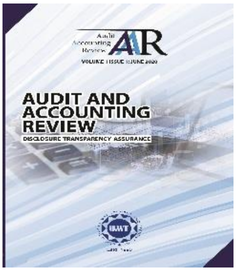

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Article: **Investor Relation, Corporate Governance and Internet Financial Disclosure: Evidence from Pakistan Stock Exchange Listed Companies**

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Investor Relations, Corporate Governance and Internet Financial Reporting (IFR) Disclosure: Evidence from Companies Listed on Pakistan Stock Exchange (PSX)

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Abstract

Corporate governance is a system of rules and practices through which a business is directed and controlled. It also assists in balancing the interests of various corporate stakeholders. Earlier studies constructed certain instruments to achieve good corporate governance. In line with earlier studies, the main aim of the current study is to investigate the impact of investor relations and corporate governance on the internet financial reporting (IFR) disclosure. Quantitative data of the selected companies was analyzed. The results showed that ownership diffusion, type of auditor, firm size, and profitability of the firm have a positive and significant relationship with IFR, whereas institutional ownership and type of business activity are negatively associated with it. This study is useful for all types of stakeholders and specifically for policymakers, as well as for the academia.

Keywords: business activity, corporate governance, institutional ownership, internet financial disclosure (IFR), profitability

Introduction

Internet is a very unique kind of tool that permits a different form of presentation as well as communication with a limited number of shareholders. Now a days, many practices related to internet reporting are voluntary and unregulated. The information dissemination and potential effect of internet financ have been report analyzed and evaluated by many researchers (Yassin, 2017).

Investor relations (IR) play a vita IR will ensure to maintain transparent and strong relations between the company and its investors, so investors are a backbone of a compa success. That is why, companies must have an honest and transparent

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relationship with the investors. Most of the investors become interested in investing in a certain company, when the IPO phase (Kaya et al., 2011).

The IR will always have the update

products and services. An investor relations manager will lead the department and will help to release the financial information, handling inquiries and arranging meetings or conferences for press and analysts. The main responsibilities of an investor relation manager are data analysis, presentation and data visualization, interaction with the research analysts or investor event preparations. Data analysis will be referred to as the interpretation of any data that will

this is how the investor relations works (Chang et al., 2008).

Corporate governance is a system of controlling and directing companies. Good corporate governance can have greater impact in improving the transparency and accountability. The shareholders have an indirect effect on the corporate governance but those who play the vital role are the board of directors. Corporate governance does affect the financial health of a company. On the other hand bad governance will simply create doubts and assumptions about company

Good corporate governance is essential for adding value to the stakeholders. In today's economy, corporate governance is for making the transparency certain which will ensure balanced economic development (Kelton et al., 2008).

Good governance is necessary to make a corporative culture environment as the employees belong to different types of cultures they follow. It is important to make them relax in the working environment for better results and to run the company to long race. By some studies it has been proved that an organization or a company works better and become more productive if its employees stay cooperative to them more because of the environmental culture they want. Corporate governance also ensures the interests of all the major and minor shareholders and enables them to fully exercise their rights and also recognize their rights (McDonnell, 2011).

The framework of how the good governance leads to a remarkable success of a company is that there will be some implicit and explicit

contracts ensuring there will be fair distribution of the roles and duties between the company and stakeholders. The basic principles in order to ensure good corporate governance is that there should be a fair and equal treatment of all the shareholders and they must to be aware of their rights and also aware to exercise them (Karpoff et al., 1996).

The board of directors will always be up to making a committee for transparent and proper investigation in the situation of any conflict Financial information disclosure on internet has played a vital role in making possible the effective allocation of limited resources in market. Insufficient information disclosure may prove as a barrier in rational decision-making process of shareholders because the information disclosure is very important factor -making process.

IFR is a voluntary option but many companies are disclosing information on internet to attract investors who prefer accurate and timely relevant information which is not that easy if we compare information disclosure through internet with traditional disclosure techniques. The potential impact of internet on the information dissemination through financial reporting on company's web has been claimed by numerous scholars. The 80.8% of the listed companies are on internet and have their own websites and the remaining 19.2% websites or their webs were not accessible (Bananuka et al., 2019a).

During last two decades, internet has proved to be an alternative and effective media to present relevant information to all stakeholders. Internet is helping stakeholders in accessing a financial information of a company. It is also helping government agencies for regularity purposes. Internet financial reporting is the use of internet in order to get financial information from a company's website (Debreceny et al., 2002).

IFR can be a new approach to increase the number of investors because it improves the sharing of information. IFR has advantages in economic prospective as well. For instance, it brings benefits for stakeholders and adopters such as significant change in the cost of the dissemination of financial information process which improves the availability of information in less time to all users (Al-Khatib et al., 2019).

Internet Financial Reporting reduces time and cost to all interested parties to access the financial information of a company. Additionally, if company regularly updates information on website, it will reduce information asymmetry. So, because of these advantages, IFR encourages companies to adopt internet when it comes to sharing of information. As more and more companies are adopting internets for financial information disclosure worldwide, Pakistan is progressing as well. Numbers are doubled in the last a few decades (Oyelere et al., 2003)

Corporate governance is a crucial issue for companies when it comes to the declaration of their financial numbers to show the business performance. That is why a good and effective disclosure system is an essential tool to protect and encourage investor's con
especially when we talk about recent accounting mismanagement and scandals in the United States and Europe. The use of Internet for businesses reports and communications is expanding in a very fast manner. Further, corporate governance principles have a great influence on companies when it comes to the disclosure of financial information on their websites (Alarussi & Shamkhi, 2016).

These principles also encourage companies to improve the dissemination of information and cost-effective and timely access to important and relevant financial and non-financial information to investors. When it comes to template or content of corporate websites, it greatly varies country to country and even it varies company to company as well. Most of the researchers are focusing on developed markets now a days, however, little attention has been given to emerging markets.

The purpose of this study is to examine the impact of corporate governance on internet corporate reporting by Pakistani listed companies. This type of research has not been done before. A checklist will be adapted in order to evaluate company's internet webs
Disclosure index will be constructed, which we will use in the evaluation of corporate website. Developing countries like Pakistan, India and Bangladesh are slower than EU developed countries when it comes to recognize the advantages of internet
this study will examine the 100 companies listed in Pakistan stock exchange. So that we can develop an instrument through which we will be

able to measure the level of disclosure of related information on internet in an emerging market like Pakistan.

Secondly another purpose of this study is to make that instrument which will be applicable in emerging countries. Furthermore, few authors have carried out research to probe the IFR determinants. Same as, a lot of other researchers found the relation of corporate governance with voluntary disclosure. However, the relation of IFR with corporate governance and firm characteristics needs to be investigated in Pakistan especially empirically. In Pakistani context, we did not find any study regarding relationship of CG and firm characteristics with IFR. So, this study will fill this research gap.

Literature Review

The vital focus of the earlier researches in respect of information disclosure is to reveal the effect of information disclosure through internet. Most of them were descriptive in nature particularly due to examining website and information disclosure. However many researchers have conducted surveys and studies in different countries to find out the real effect of information disclosure on internet.

Some of them were descriptive because they were examining the website and information disclosure. There are almost 43% of the companies that provide information which varies. Companies with website are between 43% and 100% in recent studies; 35% to 95% of these companies disclosed financial information. The focus of the earlier studies is to examine presentation items like type of format (HTML, PDF and others), relationship of internet financial reporting with its determinants where someone can only see the presence of website and financial information in their websites (Alarussi & Shamkhi, 2016).

The findings of the study confirms that the corporate governance mechanism impacts the corporate internet disclosures and this would be due to information asymmetry between the management of the business and investors and this results in ultimate agency cost (Kelton & Yang, 2008).

The results confirms that online firm disclosures has positive and significant relationship with the corporate governance and also the online

firm disclosures has significant relationship with firm size, leverage and industry type (Al-Sartawi, 2018).

In the case of GCC countries Basuony et al (2014) while discussing the internet financial disclosures, confirm that the size of the company is the pivotal element. The presence of institutional investors also affect the online financial disclosures of the firm in this wake. Al-Sartawi & Journal (2018) conclude that in case of GCC countries the total level of OFD is 77% whereas at the same time the total level of institutional investors is 51% out of the total investors of the firm. … On the other hand although the percentage of OFD in the selected companies is 77%, yet it varies from company to company and country to country as well. They further argued that there should be standardized policy for online financial disclosures (Musleh Al-Sartawi & Journal, 2016).

Hussainey et al (2018) have concluded that in case of Pakistan there is significant and positive relationship between internet financial disclosures firm size, firm leverage and foreign listing. They further explore that firm size and the ratio of market value have significant impact on internet financial disclosures.

Alam & Rashid (2014) found that financial information on the website of the various companies available is around 47% and it varies from company to company. However, a few business firms use the timeliness information technology to portray the financial information and further the present the financial information on the internet as a compliment to the paper based information.

Uwuigbe et al. (2018) tested the relationship of independent variables instead of applying checklist to calculate disclosure index. Alarussi and Shamkhi (2016) investigate both methods: weighted and un-weighted approach to explore the relationship. Yuhertiana et al. (2020) used un-weighted approach taken from 50-660 companies. Yassin (2019) used voluntary disclosure theories to explain their theoretical framework and establish their hypothesis.

Wang et al (2020) used classical approach instead of voluntary disclosure theories to explain theoretical framework and establish their hypothesis Vitolla et al. (2020) classify internet financial reporting into

content and presentation. Suadiye (2019) categories IFR into timeliness, usability, technology and content. On the other hand Alam & Rashid (2014) tested the information disclosure on the company website

Sarea (2020) examined financial information with corporate Governance and social information. The relationship among IFR and firm characteristics has been examined by earlier researchers however at the same time the relationship between IFR and corporate governance has also been tested. In the wake survey conducted by Yasni (2019) after selecting 300 big Chinese companies and developed disclosure index consists of 82 items and found the impact of internet based reporting. They classified IFR into five components: format, content, CSRC, non-CSRC, and total score. The results reveal positive relationship between corporate governance and internet financial reporting. Whereas board of directors composition and individual ownership has no effect on internet disclosure.

Sandhu and Singh (2019) has examined the linkage between disclosure transparency and corporate governance by the level of IFR. Their result have revealed that companies with high ratio of independent directors, weak shareholder rights, small ratio of f
educated and experienced audit committee more are encouraged to adopt IFR.

Bananuka et al., (2019) and Alwardat, (2020) have found that IFR is positively related to board size, independent non-executive directors, shareholder numbers and directors with business and accounting qualification results have suggested that accounting professionals and competent directors maintain reporting for good response in order to face any uncertainty in technology.

Moreover, the study of Salvi et al. (2020) has suggested that in order to adopt IFR effectively, computers and technology are essential determinants in adoption of IFR. In this wake, Sandhu & Singh (2019) have also concluded that a system to check the speed of information sharing on internet on the request of firm's st
IFR.

Few studies have been conducted in Pakistan in the context of IFR. Mainly researchers conduct studies on determinants of IFR and effect of CG

in adoption of IFR. Nobody took firm characteristics, ownership structure and CG as independent variables to discover the connection of these variables with financial internet reporting. To examine the effect of firm characteristics and CG on IFR, research is mandatory. This study will be a try to fill the gap. In addition, this study explores the connection among internet disclosure, profitability and financial structure inside the shipping sector.

Theoretical Framework

Different interests of the different shareholders may
decision-making process. Most of the Pakistani listed companies have institutional representative. As per agency theory, to reduce information asymmetry, institution encourages the management to disclose more information.

Nwanji et al. (2020) confirm negative relationship between IFR and institutional ownership. Whereas, Al-Sartawi (2018) said companies with large institutional ownership motivate management to disclose more information on internet. Therefore, the previous studies will be extended to examine IFR and institutional ownership. For this purpose, we will assume that institutional ownership has an impact on IFR. The board of directors is considered as the heart of governance mechanism because they directly examine the business affairs. When external factors like enforcement, a market legal environment and discipline are not ensuring better CG, then BOD is considered as an effective and efficient internal CG tool. The number of directors in a company may influence board monitoring and strategic decision-making process. Some studies confirm that firm with large board may cause conflict and slow down decision-making process.

Moreover, it may also weaken the communication (Al-Sartawi, 2018). Board independence is also known as board composition, which means the portion of outside director's indepe
(2007) as per agency theory, board independence may influence to reduce dispute among management and shareholders. Some proponents of agency confirm that there should be a large number of non-executive directors to monitor the performance of company and safeguard

Hussainey et al. (2011) have confirmed the positive relationship between board independence and IFR. On the other hand, these authors staged a study in Singapore to find the relationship between outside directors and IFR. They have concluded that large outside directors may decrease the disclosure level. These authors have confirmed negative relationship and did not find any relationship between information disclosure and board independence.

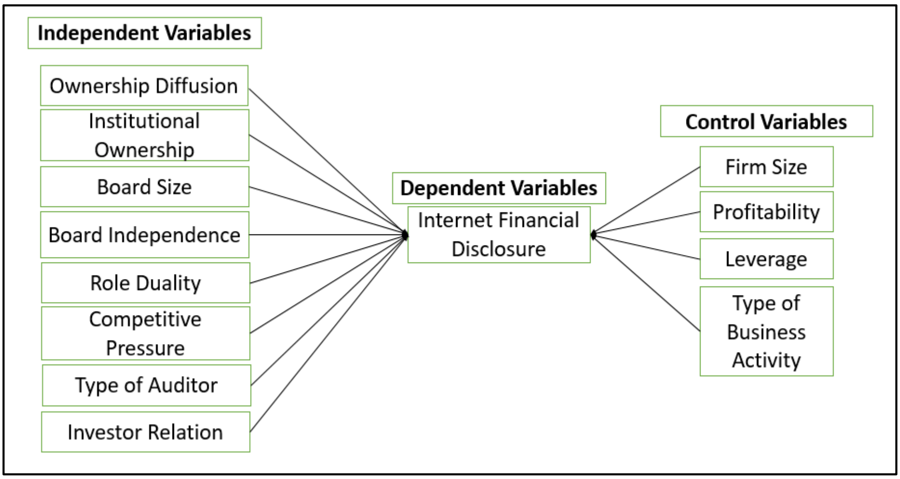
As far as the previous studies are concerned, we expect positive relation between information disclose and board independence. So, we will assume that board independence has positive impact on IFR. When one person holds designation of CEO and chairman at the same time is called Role duality. The people in favor of agency theory advocate that both roles should be separate in order to support and check the management performance (Elsayed & Governance, 2011).

Further, Naciti (2019) conclude that one person holding both CEO and chairman can become a person who may weaken and effect independent board and their role in governance. On the other hand, a few authors believe that there is no harm in role duality because mangers always think in the favor of company. So, there is no problem in holding both roles because many companies with role duality are running effectively. The authors have reported negative association of role duality with IFR and found no relationship between IFR and role duality. Further, the authors have found no association with IFR. According to the discussed studies, we expect negative relationship between role duality and IFR. Companies may face threats when entering in a market from existing competition in that market. Many researchers conclude that companies with competitive pressure may encourage disclosing more information on internet to build trustworthy relationship with shareholders or investors. Competitive pressure can be considered as negative signal because companies with the based condition may not want to show their bad position when company is in competition. Likewise, Keliwon et al. (2018) also found negative relation between IFR and competitive advantages with IFR. If considering previous studies, we expect negative association between IFR and competitive pressure, we will assume that competitive pressure has negative relationship with IFR. It refers to that company which audit financial report of any company.

Mainly, we classified these companies into two groups, Big4 and other (not Big4). Companies which hire one of Big4 companies to audit their company give signal in market that audit process of our company is effective, accurate and the information is disclosed is reliable. Big4 companies have competitive skills encourage company to disclose reliable information because they want to maintain their prestige and reputation. Mahendri and Irwandi (2017) are of the view that companies audited by big firm are more likely to disseminate information on internet. The authors have found insignificant relationship. By reviewing previous studies, we will assume that type of auditor and IFR has positive relationship.

Figure 1

Research Framework



Research Methodology

Data and Sources

The research for the current study is quantitative in nature. Moreover, the core idea is to analyze the information which is readily available from the various sources. The data for the current study consist of information related to two years which are 2018 and 2019. The data taken comprise financial statements of the selected companies.

Sample

Approximately 524 companies are available on Pakistan Stock Exchange (PSX). However, for the current study 100 index companies have been selected for the period of 2018 and 2019. After further examination it was found that only 68 companies had websites with their specific name and out of these 47 had been finally selected as determinant for IFR on account of displaying financial information on the website.

Instrument

Internet disclosure index consist of 47 items: 20 items related to information presentation and 27 items related to content.

Regression expression for this study is:

$$IFR = \beta 0 + \beta 1 Msize + \beta 2 Type + \beta 3 Prof + \beta 4 Lev + \beta 5 Comp + \beta 6 Audit + \beta 7 Own + \beta 8 Ins - Own + \beta 9 Bsize + \beta 10\ Bind + \beta 11\ Duality + €$$

The IFRI is IFR index, i is number donating company size, type is a dummy variable for the type of business, prof is donating profitability, lev is donating leverage and comp is donate competitive pressure.

Proxies

Variables	Proxies	Sources
1) Firm Characteristics Variables		
Size	Natural logarithm of total assets	(Aly, Simon, & Hussainey, 2010) (Abdelsalam & Street, 2007)
Type of Business Activity	One if the company is financial, and zero otherwise	(Barros, Boubaker, & Hamrouni, 2013)
Profitability	Return on equity	(Hussain et al., 2018)
Leverage	Total liabilities to total equity	(Dolinšek & Lutar-Skerbinjek, 2018)
Competitive Pressures	Average return on equity over the last five years	(Alsartawi, 2018) (Trabelsi & Labelle, 2006)
Type of Auditor	One if the company is audited by any of the Big4 audit companies, and zero otherwise	(Asogwa, 2017)
2) Ownership structures variables (Investor relation)		
Ownership diffusion	Free float	(Aly et al., 2010)
Institutional ownership	Percentage of shares held by institution	(Adnan, Hay, & van Staden, 2018)
3) Corporate governance variables		
Board size	The number of board of directors members	(Gani & Jermias, 2006; Turel, Liu, & Bart, 2017)
Board independence	The ratio of non-executive members to total members on the board of directors	(Adnan et al., 2018)
Role duality	One if the chairman is the same person as the CEO, and zero otherwise	(Adnan et al., 2018)

Data Analysis, Tools and Techniques

For data analysis SPSS and Microsoft excel were used. Lemenkova (2019) has demonstrated high effectiveness of the SPSS application towards the data modelling. Internet financial reporting has been measured through disclosure index that consisted of 47 items, classified into two main sections; Content and Presentation. Alarussi and Shamkhi (2016) indicate that effective presentation and context disclosure can lead to more transparent disclosure. Out of 47 items, 27 content related items helped us to measure the type of information disclosed on website and remaining 20 items were related to Presentation of disclosed information.

For the current study, a listed of companies was considered as practicing IFR if it satisfied the following conditions as laid down by Alarussi and Shamkhi (2016): (a) Annual reports on internet (b) Any information related to stock price (c) info related to press release or dividends (d) Financial Highlights.

The disclosure index was initially checked for internal consistency using reliability test and Cronbach's alpha above 0.6 considered consistent and those variables will be taken for further analysis. For variables, not falling above 0.60, the data were further improved to make variable in range of consistency. After the consistency test, bivariate correlation used in SPSS to measuring the strength and direction of relationship between independent variables with dependent variable. Once the relationships became determined, ordinary least square was applied to draw the desired results.

Data Analysis

Descriptive Statistics

For this the website of all Pakistani listed companies was reviewed to check the acceptability of the quality results of company disclosures. Only 47% companies in Pakistan disclose full annual reports on website. Financial Accounting Standard Board (FASB) mentioned two main types of formats one is HTML and the second is PDF. HTML is a basic standard language used to publish information on official website. While the PDF is a common file format. Mostly reports were displayed in

PDF format as mentioned by (Etheredge et al., 2017). The most disclosed elements are balance Sheet (94%), income statement (92%), and last year financial statement (78%).

Table 1

Summaries Descriptive Finding of Dependent and Independent Variable

	Mean	Median	Std. Dev.	Skewness	Kurtosis	Max	Min
IFR	0.54072	19.32	0.8877	-0.50519	2.534717	0.4042	0.6446
OS	43.74747	0.05	20.86807	0.466536	2.700294	5	18
Int. Own	0.3636364	15.135	0.48349	-0.59307	2.259007	0	1
BS	7.080808	0.795	2.26182	-1.41377	4.498704	3	10
BI	58.32323	1.18	16.2831	-0.90121	8.401168	22	39
Com. P	24.9697	2.53	19.7419	-0.56492	6.110773	13	20
AT	0.49494	-0.16	0.50251	-0.97431	5.952894	0	1
FS	2.84845	0.12	1.46638	-1.41377	4.498704	1	5
Prof	13.1111	0.156	15.9863	-0.90121	8.401168	15	18
Lev	14	0.155	10.2150	4.498704	-1.41377	1	14
BT	0.4444	0.255	0.49943	8.401168	-0.90121	0	1

Table 1 shows that the data are normally distributed. The total numbers of observation are 99. The probability value of all variables is 0. Minimum explain the smallest value of the variable which is zero in above table. The maximum explains the largest value of the variable which is 39 in table. According to the values they are within the acceptable range which shows the normality of data. The difference b/w the highest and lowest value indicates us that there is a high variation in the information disclosed on companies' website. Mean is the s divided by the number of observations. It is most widely used measure of central tendency and commonly called average. The table depicts that the highest average is board independence which is 58.32, board of directors is made up of 9 members, 76% are in dependent directors.

However, institutional ownership has the lowest mean value, which is 0.3634. Means only 36% shares are held by the institutions. The standard

deviation used for finding the variation of the data. The large standard deviation is, the most spread out the observation. The ownership diffusion is the highest standard deviation value of 20.86807. This shows that the free floats of companies are not constant. Abd-Al Megeid and Abd-Elmageed (2019) examine the relationship among disclose information and free float (as a proxy for ownership diffusion).

Correlation Matrix

The issue of multi-collinearity was measure variance inflation factor. Following Alarussi and Shamkhi (2016) non-normality variables were transformed in to rank before running the regression model. Each row of the table explains the correlation of two variables. It is used for advance analysis or to summarize the data.

Table 2

Correlation Matrix

	OS	Int. Own	BS	BI	Com. P	AT	FS	Prof	Lev	BT
OS	1									
Int.Own	-0.3316	1								
BS	-0.0203	-0.1205	1							
BI	-0.1504	-0.1939	0.1572	1						
Com.P	0.0478	-0.0501	-0.1871	0.0677	1					
AT	0.012	0.1336	0.1979	-0.0035	0.0797	1				
FS	-0.0423	0.0641	-0.0824	-0.1791	0.1704	-0.2295	1			
Prof	-0.1167	-0.1399	0.0723	0.0588	-0.1191	-0.1924	0.113	1		
Lev	-0.0844	-0.1529	0.3299	0.1454	-0.1992	-0.0318	-0.0184	0.145	1	
BT	-0.1546	0.0845	-0.1766	-0.0178	-0.0307	0.0904	-0.0604	0.1075	-0.13	1

This table empirically shows the correlation between the variables. It is used to measure the degree of strength of the relationship between the dependent and independent variables. First relation explains ownership has a negative association with institutional ownership, board independent and board size, positive association with competitive pressure and auditor type. Institutional ownership negatively associates with board independence and competitive pressure. It also positively associate with audit type and firm size. Board size has a negative association with competitive pressure.

Board independence shows positive correlation with board size. Competitive pressure negatively associates with board size and institutional ownership. Auditor type shows positive association with all the independent variables. All control variables negatively associate with ownership but firm size and business activities positively associate with institutional ownership. So, it can be concluded that, there is no high correlation among the variables. Our analysis shows that there is no serious multi collinearity problem present among the independent variables. The results show no statistically harmful violation of any of these assumptions.

Diagnostic Test

Table 3 summarized no multi-collinearity issue among all independent variables. The procedure for measuring multi-collinearity is that when coefficient is less than 10 and bigger than 0.1 which indicate no-multi collinearity problem b/w variables.

Table 3

Diagnostic Test

Variable	VIF	1/VIF
Inst Owner	1.32	0.757256
Broad Size	1.29	0.77347
Ownership	1.27	0.788884
Auditor type	1.23	0.821049
Leverage	1.22	0.816052
Broad Size	1.18	0.847608
Firm Size	1.18	0.849645
Com Pressu	1.17	0.851216
Profitability	1.14	0.874521
Mean VIF	1.21	

The results of this table support our study hypothesis 1 which is ownership diffusion input IFR. Jallad, (2020); Dolinšek & Lutar-Skerbinjek, (2018) have identified that there is no association between the ownership diffusion and disclosure of information which means the higher diffusion level in ownership extra commitment for the company in IFR. Such things clarify and advantage of internet which enable us to find well reputed companies and support shareholder to monitoring the management

behavior. Ariff et al. (2018) check the association among IFR and ownership diffusion.

Table 4

Linear Regression

IFR	Coeff.	T
Ownership Diffusion	.438***	4.47
Inst Ownership	-.095**	-2.07
Board Independent	0.058	-0.38
Board Size	0.01	1.38
Com_ Pressure	-0.156	-1.09
Auditor Type	.115*	-1.65
Firm Size	.016***	3.52
Profitability	.1809*	1.75
Leverage	-0.001	-2.47
Business Type	-.095*	-1.65
_cons	-.446***	-2.666

This research proves that there is a positive association between these two variables which are ownership diffusion and IFR. Addition Alarussi and Shamkhi (2016) notice that ownership diffusion associates firmly with IFR. In the study hypothesis 2, we basically suppose a strong significant link among institutional ownership and IFR. Finding shows that the Pakistani listed company's instituti on IFR. Logic is that disclosing less information related to company web site provide advantageous position than their competitors. Maskati and Hamdan (2017) find adverse relationship among disclosures and institutional ownership.

According to Ding et al. (2019), institutional ownership are characterized in research as sophisticated investors which have an advantage of obtaining and processing information linked with other investors. Whereas Disclosures is a communication document in which companies describe their investor relations and deliver a transparent image of themselves (Koskela, 2018)

Furthermore, Omran and Ramdhony (2016) highlighted the companies that have more investor disclosure information on their official website associated with IFR. Aggarwal and Verma (2020) who examined association between institutional ownership and disclosure have concluded that there is a negative relationship between these two variables but the association is insignificant. Such results support our study hypothesis 3, which is the board size has a significant relationship with IFR. The findings of the study by Aggarwal and Verma (2020) indicate that when the level of members in board increases, more information becomes present on the website. More ideas are discussed when the members of board increase in number. Agarwal and Verma (2020) do not agree to this finding and argue that when the boat size is large the level of company's performance also increase and improve the level of company disclosure.

Abdullah, Ardiansah et al (2017) who examined the large size of board and the higher voluntary disclosures expectation find that board size positively impacts the firm performance which automatically increase the level of disclose information. In our study we find that those companies that are audited by big 4 audit firms post more information on website. Confidence emerges that the big four companies are reliable and encourage the release of information on website transparently. Emperor 2019 concluded that the audited type firms are positively link with IFR. Zambra et al. (2019) concluded that the audited companies are positively link with US IFR. Waweru et al (2019) shows that audit firms are the company IFR.

The results of Thomas and Aryusman (2020) support the significant positive Association between audit type firms and IFR for disclosure. This study has control variables which are in firm size which shows positive association. The logic behind is that well reputed organizations have more resources and motivation for showing all the information on official website. This logic is mostly similar in different previous researches.

Alarussi and Shamkhi (2016) shows that positive association in their findings as compared to financial non-financial companies disclose easily all the information on website. And the financial institution is not more engaged with their IFR than non-financial institution. The non-Financial Institutions provide all additional and necessary information to their investors on website. For example, the history of company share price, all

highlights of financial, etc. but in opposite side most of the financial institutions just display their financial statement.

Top business type and IFR in our research shows no Association. Our finding are similar with that of Al-Matari, et al. (2019) in which they have shown that there is no impact of business type on IFR. Furthermore, our search finds in evidence that supports positive Association between profitability and IFR. The research by Almatarneh and Alomari (2019) shows us that the non-financial institutions disclose more information than financial institutions on website. The result of business type and IFR in our research shows no association. Such finding is similar with that of Alnaas and Rashid (2019) that there is no impact of business type on IFR. Our research finds an evidence that support positive association among profitability and IFR.

Al-Sartawi (2018) finds significant positive relationship between profitability and IFR. This is because of awareness of the well reputed companies who disclose all information on website. Companies that display all information show good business image and attract their stakeholders. In addition, Sarea (2020) finds positive Association between these two variables which are profitability and online disclosure. Khusniah and Mayasari (2019) draw a result that there is a positive link between profitability and disclosures. But our results show there is no significant Association between IFR and profitability. This result is similar with (Khusniah & Mayasari, 2019) shows no Association.

Conclusion

This study builds on the findings of the previous researches through investigating the impact of investor relation and corporate governance on IFR disclosures of well reputed organizations. As an outcome of globalization, some significant changes have occurred in the stock markets of emerging countries. As a result, foreign investors are prone to invest in domestic markets.

There are a lot of reasons which hinder investors from investing in the markets of developing countries. These include the lack of transparency and other issues regarding corporate governance. Some studies also highlighted that the decisions of investors are affected by IFR transparency.

Furthermore, Sandhu and Singh (2019) mentioned that companies should increase their all financial information transparency level and should also improve their quality of disclosures by complying with corporate governance rules. These rules affect the IFR practices. It is very important for emerging markets, keeping in view the awareness of corporate governance and timely provision of all such disclosures, to protect investors' interest.

The results of online disclosures show the flexible content of all non-financial listed companies which disclose information on their website. This makes IFR an important research area in Pakistan. Hence, investigating the association between IFR and corporate governance is a major concern.

The linear regression model identified that firm size and institutional ownership associate positively with all IFR dependent variables. Consistent with the findings, it was concluded that audit type is positively related to IFR. Business type activities also relate significantly with the dependent variable. In the end, this research found a negative influence and impact on IFR disclosures.

The prospective disclosing of financial information online for investors boosts many other listed Pakistani enterprises to define the key factors that influence IFR and especially, the governance of corporation. If a company provides accurate information on its website, investors are inclined to invest which increases the market value of stocks and reduces the cost of capital.

The results of the current study showed that IFR is a key determinant in developing countries, such as Pakistan. This finding is helpful for other researchers of the emerging areas, especially Middle Eastern states that have certain similarities Pakistan.

Policy Implications and Recommendations

The findings of the current study assist three main groups: company owners, policymakers and academia. For companies, this study sheds light on the importance of timely and accurate financial information disclosure to attract the investors. For policymakers, this study manifests the importance of timely and accurate financial disclosure to realize

transparency. For academia, this study demonstrates the current IFR practices in Pakistan.

There are some limitations of this study. Our sample was small. In future research, authors can increase the sample size or they can investigate this relationship with respect to different sectors. This study examined three corporate governance variables: board size, board independence and role duality. Future researchers can examine different variables, such as foreign or family board members and ownership structure, among others.

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